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MAR 26 2010

Memorandum by City Manager's Office

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Debra Figone

SUBJECT: Council Direction – Employee
Concessions

DATE: March 26, 2010

INFORMATION

The purpose of this memo is to advise the City Council on how we are proceeding with the Council direction from Tuesday, March 23, 2010, related to employee concessions. As you know, in November 2009, the City Council approved a goal of a 5% ongoing total compensation reduction. On Tuesday, March 23, 2010, the City Council approved the Mayor's Budget Message with an amendment that the City seek 10% in personnel cost savings, with a minimum of 5% ongoing and another 5% from concessions with flexibility to include one-time personnel cost savings to help save additional services.

I was also directed to meet with representatives from the City bargaining units to solicit ideas on how to meet the additional 5% reduction and make a good faith effort to pursue and review all proposals from the bargaining units. I have a meeting scheduled for today, Friday, March 26, 2010, with the bargaining units. Because many bargaining units are unable to attend today's meeting, I have scheduled an additional meeting for Monday, March 29, 2010.

As the City Council knows, we are at different stages of negotiations with the City's eleven bargaining units. Some of those negotiations are ongoing, some have just begun, and some have yet to begin. Since Tuesday evening's City Council meeting, we have had negotiation sessions with the Association of Maintenance and Supervisory Personnel (AMSP) and the Association of Engineers and Architects (AEA). The proposals that the City has made since Tuesday include a placeholder for the additional 5% reduction pending the suggestions from the bargaining units. Ideas for the additional 5% will be referred back to each individual negotiation so that they can be included in the overall package with each individual bargaining unit for a total of 10%. Per Council direction, during negotiations we will also be asking the individual bargaining units if they are interested in a pay reduction structured on a sliding scale.

We look forward to the creative ideas from the bargaining units to achieve the total of 10% personnel cost savings. Every proposal/idea received from the bargaining units will be posted on our internet site at: <http://www.sanjoseca.gov/employeerelations/labor.asp>. In addition, I will be updating the City Council during the City Manager's open session verbal report. We will also be providing the City Council negotiation updates in closed session.


DEBRA FIGONE
City Manager